



PUBLIC NOTICE

Federal Communications Commission
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DA 07-67
January 12, 2007

DOMESTIC AUTHORIZATION GRANTED

Application Filed for the Transfer of Control of Telstra Incorporated from the Commonwealth of Australia to shareholders of Telstra Corporation Limited

WC Docket No. 06-218

By the Chief, Wireline Competition Bureau:

On December 4, 2006, Telstra Incorporated ("Telstra USA"), the Commonwealth of Australia ("Commonwealth"), and Telstra Corporation Limited ("Telstra," together "Applicants") filed an application, pursuant to section 63.04 of the Commission's rules,¹ requesting authority to transfer control of Telstra USA from the Commonwealth to the shareholders of Telstra, which is the ultimate parent company of Telstra USA.²

The Commission released a public notice accepting the application for streamlined processing on December 14, 2006.³ On January 5, 2007, Telstra filed a letter confirming their willingness to have the Commission condition the grant of approval of their application on compliance with the provisions of a November 29, 2001 Agreement by and between Reach Ltd., Telstra Corporation Limited, and the Pacific Century CyberWorks Limited, on the one hand, and the Federal Bureau of Investigation and the U.S. Department of Justice, on the other hand (the "Agreement").⁴ No comments were filed by the Federal Bureau of Investigation, the Department of Justice, or the Department of Homeland Security.

¹ 47 C.F.R. §§ 63.03, 63.04; see 47 U.S.C. § 214.

² Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications. On Dec. 11, 2006, the Applicants filed a supplement to the domestic section 214 application. See Letter from Randall W. Sifers, Counsel to Telstra, to Marlene H. Dortch, Federal Communications Commission, WC Docket No. 06-218 (filed Dec. 11, 2006).

³ *Domestic Section 214 Application Filed for Transfer of Control of Telstra Incorporated from the Commonwealth of Australia to Shareholders of Telstra Corporation Limited.*, WC Docket No. 06-218, Public Notice, DA 06-2510 (rel. Dec. 14, 2006).

⁴ Letter from Robert J. Aamoth, Counsel to Telstra Corporation Limited and Reach Ltd., to Marlene H. Dortch, Federal Communications Commission, WC Docket No. 06-218 (filed Jan. 5, 2007). See Telstra Incorporated, Commonwealth of Australia, Telstra Corporation Limited, WC Docket No. 06-218, Application (filed Dec. 4, 2006), at n.1. A copy of the November 29, 2001 Agreement is publicly available and maybe viewed on the FCC web-site through the International Bureau Filing System (IBFS) by searching for ITC-T/C-20061204-00541 and accessing the "Attachment Menu" from the Document Viewing area.

The Wireline Competition Bureau finds, upon consideration of the record, that grant of the application, subject to compliance with the Agreement, will serve the public interest, convenience, and necessity. Upon consummation of the transaction, the resulting entity will have a market share in the U.S. interstate interexchange market of less than 10 percent, and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier in the U.S. that is not a party to the transaction. In addition, no party to these transactions is dominant with respect to any domestic service.

Pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 0.291 of the Commission's rules,⁵ the Wireline Competition Bureau hereby grants the application discussed in this Public Notice, conditioned on compliance with the Agreement. Pursuant to section 63.03 of the Commission's rules, this grant is effective on January 14, 2007, the 31st day after the release of the Public Notice.⁶

For further information, please contact Gail Cohen at (202) 418-0939, Competition Policy Division, Wireline Competition Bureau.

⁵ 47 C.F.R. § 0.291.

⁶ 47 C.F.R. § 63.03.